

DISASTER RELIEF ACT OF 1965

JULY 15 (legislative day, JULY 14), 1965.—Ordered to be printed

Mr. BAYH, from the Committee on Public Works, submitted the following

REPORT

[To accompany S. 1861]

The Committee on Public Works, to whom was referred the bill (S. 1861) to provide additional assistance for areas suffering a major disaster, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

PURPOSE

The purpose of S. 1861, as amended, is to—

- (1) Provide Federal loan adjustments where an extreme financial hardship would result to the individual, partnership, corporation, or others without such relief.
- (2) Provide for a program which would allow for grants to States for assistance to homeowners and businesses.
- (3) Provide emergency shelter for disaster victims.
- (4) Provide Federal Housing Administration-insured disaster loans.
- (5) Provide grants to farmers in major disaster areas to restore production.
- (6) Make available the civil defense communications system for use in warning of impending natural disasters.
- (7) Provide assistance to unincorporated communities.
- (8) Provide for school construction assistance in major disaster areas.
- (9) Make available assistance for current school expenditures in major disaster areas.
- (10) Provide for highway assistance in disaster areas.
- (11) Provide priority for applications for public facility and public housing assistance.

(12) Provide authorization for public works expenditures for the repair, restoration, or reconstruction of such facilities.

(13) Provide that no duplication of benefits can be received with respect to any part of such a loss suffered.

THE NEED FOR A DISASTER RELIEF ACT

Under current legislative status, whenever a major natural disaster strikes it is necessary for the Congress to pass special legislation to provide the needed relief to the stricken area. Such action takes considerable time at a time when relief is needed immediately. This bill will provide the necessary standby authority which will be automatically engaged when the President so designates an area as a "major disaster area."

During the past 6 years three disaster bills have been required to provide relief for the major disasters experienced during this period. However, during this spring alone three major disasters have struck various sections of the country, which would have resulted in three separate relief bills had not S. 1861 been introduced and under serious consideration.

Because such major disasters are completely unexpected and in most cases strike an area totally unprepared or capable of recovery without outside assistance provisions must be made to have assistance readily available for immediate relief. Alaska, in 1964 for example, suffered earthquake damage to 2,398 properties, totaling \$62,808,000. The Pacific Northwest, later in 1964, also suffered extensive flood damage, estimated at \$461,500,000. In both these instances, separate relief legislation was required before the victims could receive much needed aid.

As stated earlier, in every case these individual bills include most of the same provisions for relief which are to be found in S. 1861. During the hearings on S. 1861 the enormity of the damage caused by the major disasters this past spring was dramatically brought home to the committee.

In Minnesota, for example, Governor Rolvaag testified that disasters in 1964 and 1965 have caused an estimated \$243 million in damage. Tornadoes alone in less than 3 hours killed 14 people, injured 650 seriously enough to be hospitalized, and destroyed 1,200 homes, while causing an estimated \$34.5 million in damage. These figures alone are staggering enough, but become even more shocking where they were preceded by floods which did \$96.5 million of damage in 65 of Minnesota's 87 counties! Such damage cannot be borne alone by the areas which have suffered, but must be spread over the entire country if the area is to survive and rebuild itself. Minnesota is not unique in its suffering; Indiana and Michigan are now only emerging from the shock and extreme damage recently suffered as a result of tornadoes. In 1 small area of Indiana, 60 people suffered tornado damages amounting to over \$1 million, almost half of which was a total loss, as no assistance was available to cover it. In 1 day, 138 were killed, another 1,369 injured, 1,251 homes were destroyed, 1,055 farm buildings destroyed, and another 3,875 families suffered losses less than total. Damage in Wisconsin due to tornadoes and flooding is estimated to exceed \$15 million, with over three-fourths of it ineligible for aid under existing relief programs.

In Colorado, during the June floods, 125,000 people had to be evacuated from their homes, 17 bridges and grade separations on the Interstate System were destroyed, and damage is estimated to exceed \$102 million.

These examples are by no means exhaustive, but are only cited as indications of the kinds and magnitude of the destruction which is visited upon relatively small areas.

As mentioned earlier, the speed with which these disasters strike and the tremendous damage they inflict indicates the vital necessity for providing the means for creating fully operational and completely prepared disaster relief programs under the several States, in cooperation with the Federal Government. With this purpose in mind the Public Works Committee has worked to further develop S. 1861 as a complete vehicle to provide the means for prompt and efficient assistance to disaster victims.

GENERAL STATEMENT

S. 1861, the Disaster Relief Act of 1965, was referred to the Committee on Public Works, by unanimous consent of the Senate. The committee recognizes that some of the contents of this bill encompass jurisdiction of other committees. However, the committee has limited itself to consideration of the effects of natural disasters and means of alleviating hardship to individuals and communities as a result of those disasters.

In considering this bill, the committee held 2 days of public hearings and received testimony from 30 witnesses, and was most concerned by the facts brought out during these hearings. Of particular concern to the committee were the apparent gaps in the assistance to disaster victims and the inability of disaster-struck areas to recover without substantial outside assistance.

Another area of concern was the critical timelag which exists from the time a disaster occurs until the time when major outside assistance becomes available to the victims. This, coupled with the almost universal lack of a coordinated disaster relief program, pinpointed the widespread need for such a standby program.

Toward this end, the committee reviewed the various individual disaster relief acts which had been previously enacted and, as a result, was able to develop a general pattern or framework which these bills followed. These basic items, plus other needs which were brought out in the public hearings and in discussions with the victims, Federal, State, and local officials, and others were incorporated into the all-inclusive Disaster Relief Act.

COMMITTEE VIEWS

The committee hopes that passage of S. 1861 will remove the necessity for special authorizations following natural disasters as has been the custom. In so doing, the Congress will still have an opportunity to review the costs of such assistance without delaying badly needed aid.

Since essentially the same provisions are put into all the disaster relief acts it seems sensible to have a national policy. The policy which the committee deems best is one where there is a Federal-State

partnership. Thus the committee has included a section which enables the establishment of a Federal-State plan to meet disaster needs.

Creation of such a plan by a State should further shorten time between the disaster occurrence and the beginning of assistance to those stricken.

The committee does not feel that individuals and businesses in States which fail to avail themselves of Federal-State planning should be penalized as a result but the executive branch should necessarily take cognizance of the measure of the assistance necessary when no State plan exists.

A major desire of the committee is that relief should be rapid and toward this end it emphasizes that applications for disaster loans should not be delayed while the applicant proves that non-Government money was not available.

The provisions of this bill also were designed to provide equal treatment as near as possible to homeowners, farmers, and businessmen; to cities, villages, and rural areas.

However, the agencies administering this act will have to exercise sound judgment since a great deal of discretion is available in so far as the size of this program is concerned.

The committee feels that the best guideline is that no individual or community should be worse off but that the provisions are not intended to provide windfall benefits or accomplish what is denied under other legislation.

COMPARISON WITH PREVIOUS DISASTER RELIEF

Following each previous major national disaster separate bills were needed to provide the necessary relief for the disaster areas. All previous legislation enacted contained in each individual bill the following provisions:

- (a) Federal loan adjustment assistance;
- (b) Grants for assistance to homeowners and businesses;
- (c) Assistance for public facilities destroyed or damaged;
- (d) Assistance to restore or rebuild Federal-aid highways destroyed or damaged; and
- (e) Assistance to repair or restore primary and secondary educational facilities.

Depending on the type of natural disaster, additional assistance has been granted by Congress, such as—

- (a) Shelter for disaster victims, and
- (b) Assistance to farmers.

Enactment of S. 1861 allows the President this same authority on a permanent basis, to be exercised only following a major disaster, providing the area is designated a major disaster area by the President.

Certain other assistance has never been available under previous legislation, but will be provided for under S. 1861. This assistance is as follows:

- (a) Assistance to unincorporated areas, and
- (b) Assistance for the repair and reconstruction of roads, streets, and bridges under a nonfederally aided category.

Previous legislation has provided for assistance to unincorporated urban areas and federally aided roads; thus, the above new provisions extend similar aid to previously uncovered areas.

MONETARY AUTHORIZATION

This act provides for no specific dollar authorization, except that in section 11(b), where it authorizes funds to be appropriated not to exceed \$50 million each fiscal year from the general fund for the repair, restoration, or reconstruction of Federal-aid highways.

The amount of funds ultimately needed under the other nine sections can only be determined by the disaster inflicted and the degree the executive branch feels should be included in a rehabilitation program.

The authorization is:

Sec.	Purpose	Funds required
3	Federal loan adjustments.....	Authorizes such funds as may be required for each disaster.
4	Grants to States.....	Up to a maximum of \$250,000 per State for 50 percent of the planning requirements.
	Program.....	Authorizes such funds as may be required for each disaster but limits Federal portion to 50 percent of total.
5	Shelter for disaster victims.....	Authorizes such funds as may be required for each disaster.
6	Insured disaster loans.....	Do.
7	Grant assistance to farmers.....	Authorizes such funds as may be required for each disaster, with a maximum of \$10,000 per victim.
8	Disaster warnings.....	Authorizes such funds as may be required for each disaster.
9	Assistance to unincorporated communities.....	Authorizes such funds as may be required for each disaster. Individual grants up to 50 percent of the cost involved.
10	School assistance.....	Authorizes such funds as may be required for each disaster.
	Replacement and repair of facilities.....	Office of Education estimates \$750,000 per year.
	Assistance for current operating expenses.....	Estimates are for an annual cost of \$750,000.
11	Highway assistance.....	\$50,000,000 maximum annually from the general fund.
12	Priority to disaster area applicants for public facility and public housing applications.	No additional funds required.
13	Authorization for public works expenditures.....	Authorizes such funds as may be required for each disaster.
14	Duplication of benefits.....	No funds required.

SECTION-BY-SECTION ANALYSIS

Section 2. Defines the term "major disaster"

Section 3. Federal loan adjustments

The purpose of this section is to provide relief to individuals, groups, or businesses having loans made by the Rural Electrification Administration, the Housing and Home Finance Agency, and the Veterans' Administration. The relief is through refinancing, adjustment, or readjustment of principal and interest payment schedules, and extensions of maturity dates where an impairment of the economic feasibility or an extreme financial hardship would result without such relief.

The committee recognized that authority was already in existence for the Small Business Administration and the Farmers Home Administration to make direct loans, as well as adjust or readjust principal and interest schedules and to extend maturity dates for disaster victims; however, it is concerned that the necessity existed for such victims to first have to seek relief from private capital sources before they could apply for relief from these agencies. To correct this situation, the committee has included language waiving this require-

ment for disaster victims, thereby making them eligible for these direct loans more expeditiously.

Section 4. Grants to States for assistance to homeowners and businesses

The purpose of this section is to provide assistance to States in developing and carrying out comprehensive and practicable programs for assisting homeowners and business concerns suffering property losses as a result of a major disaster.

The committee feels that the importance of a well-planned and fully operational State disaster program cannot be overemphasized. The basic planning of such a program, although of major significance, is no more important than the day-to-day operational and staffing readiness of such a program. The overall basic philosophy on which such a plan should be predicated is complete readiness, always operational, and with the best staffing possible. The committee expects that States participating in this program will create meaningful agencies to direct the program.

It is recognized that in any disaster it is impossible to make anyone whole; therefore, the individual victim is expected to assume the first 25 percent of the property loss sustained, with the State assuming the next 25 percent, and the Federal Government the balance, up to a total loss value of \$30,000 for homeowners and \$100,000 for businesses.

The procedures involved in providing an adequate and just system of damage appraisal is admittedly difficult and, therefore, every effort should be made to provide in advance of a disaster adequate guidelines and appraisal criteria to insure a fair market value on the destroyed or damaged property.

The committee stresses the fact that this is a joint Federal-State disaster program and as such requires close cooperation and coordination on the part of both parties. This section requires that the State disaster plan be approved by the Federal Government before disaster victims can realize any of the assistance it provides. Consequently, it is incumbent upon the Federal Government to develop its guidelines and policies in a timely fashion, and it is also incumbent upon the several States to set to work immediately to get their disaster plans drafted, submitted, and approved so, should a natural disaster strike, relief will be readily available.

Section 5. Shelter for disaster victims

This section authorizes the Federal Government to provide temporary housing for disaster victims whose dwelling has been destroyed or made uninhabitable as a result of the major disaster and the victim is unable to provide shelter for himself and his family. Care should be exercised to insure that the individual or family is a bona fide occupant of the facility involved and that he has no means of assistance other than this. Emergency shelter may be provided for up to 12 months, and the cost of such shelter may not exceed 25 percent of the individual's or family's income. Although this section authorizes outright purchase of shelter facilities by the Federal Government, the committee strongly recommends that this authority be used only as a last resort, and that any shelter facilities so acquired be disposed of as quickly as possible.

Section 6. Other housing assistance

This section amends section 221 of the National Housing Act to permit disaster victims to qualify for the same assistance as now is

available to moderate income and displaced families as a result of urban renewal or other Government action.

It is the feeling of the committee that disaster victims which come under this category are as well as, if not more, qualified for this type of aid and assistance due to their circumstances, as they are unable to plan in advance for the situation in which they suddenly find themselves.

Section 7. Assistance to farmers in major disaster areas

The purpose of this section is to authorize grants to farmers to repair or restore their fields, herds, fences, or crops to the state or condition they were in prior to the disaster. It is designed to help those who would have earned money from the crops or livestock or to assist them in paying the costs over and above the normal costs of placing a field into production. It is contemplated that only those fields which have been under cultivation or had been in the process of being readied for cultivation will be eligible for grant assistance under this section of the act. Grants may be made for two-thirds of the costs, with a maximum grant of \$10,000.

Section 8. Disaster warnings

This section authorizes the use of the civil defense communications system to warn of impending natural disasters. The committee included this section to encourage local communities to make a wider use of this readymade warning system. It is felt that as a result of this, a uniform and readily understood warning system can become a reality and, therefore, prevent or, at least reduce, the loss of life and a reduction in losses due to natural disasters.

Section 9. Assistance to unincorporated communities

This section broadens the coverage of the Federal Disaster Act to make eligible for assistance under this act unincorporated communities which may, as a result of a natural disaster, require financial assistance.

This section also amends the Consolidated Farmers Home Administration Act of 1961 to enable the making or insuring of loans for the acquisition, construction, improvement, or extension of waste disposal systems and other public facilities to associations, public, quasi-public, and nonprofit corporations providing community services in rural areas when such services are needed to rebuild a community.

It also authorizes 50-percent construction grants for waste disposal systems, water systems, and other public facilities where the revenue to be realized by the systems would not repay the loan, or the user charges would need to be beyond the ability of the majority of the users to pay, and if these charges would be above average for comparable communities in the State.

It is the committee's intent to assist these communities to rebuild where, as a result of a disaster, they are partially destroyed and the prospects of rebuilding are diminished as a consequence of the needed public facilities not being available. It is believed that by making these facilities available the community has a better opportunity to once again achieve the status it enjoyed prior to the disaster. Furthermore, should these facilities not be made available, those remaining individuals and business concerns surviving the disaster would conceivably suffer due to the outmigration of disaster victims to

other areas offering the facilities and services in question. It is believed that by including this section of the act the prospects for a faster and more complete recovery of the disaster area are greatly enhanced.

Section 10. Elementary and secondary school assistance in disaster areas

SCHOOL CONSTRUCTION IN DISASTER AREAS

The bill adds a new section to Public Law 815 which would authorize the Commissioner of the Office of Education to provide additional financial assistance to a local public school district to enable such agency to construct new facilities to replace school facilities destroyed or to restore facilities damaged as a result of a major disaster.

Appropriations are authorized for the purpose of meeting the costs of administering the new section. Pending appropriations the Commissioner could use fund appropriated for the other provisions of Public Law 874 to immediately provide the disaster assistance, such appropriations to be reimbursed from appropriations authorized by this subsection when they become available to the Commissioner.

The following conditions prerequisite to the furnishing of such assistance are required by the legislation:

- (1) A determination by the Director of the Office of Emergency Planning that the school facilities were in the area declared by the President to be a major disaster area under the provisions of 42 U.S.C. 1855 warranting disaster assistance by the Federal Government;

- (2) That the Governor of the State in which the local educational agency is located certifies the need for disaster assistance and has given assurance of the expenditure of State funds or local agency funds for the same or similar purposes with respect to the disaster;

- (3) That the school facilities in question have been destroyed or seriously damaged as a result of the disaster;

- (4) That the local agency is making a reasonable tax effort and exercising due diligence in availing itself of other financial assistance available for the replacement or restoration of such facilities;

- (5) That the local agency does not have sufficient funds available to it from State, local, and other Federal sources and from the benefits of insurance to provide the minimum school facilities needed for the restoration or replacement of the facilities in question;

- (6) That the local school agency has complied with section 7(a)(3) of Public Law 874 subsequently discussed in this analysis.

Procedures to be followed by the local educational agency in applying for the disaster assistance call for submission of applications to the Commissioner through the appropriate State educational agency.

Authority is provided for payment to a district whose application has been approved in advance or by way of reimbursement and in such installments as the Commissioner determines.

OPERATION OF SCHOOLS IN DISASTER AREAS

The bill adds a new section to Public Law 874 which authorizes the Commissioner of the Office of Education to provide financial assistance to any local public school agency to assist in the financing of the operation of elementary and secondary school programs which have been affected by a major disaster. Limitations imposed on the provision of such assistance are:

(1) A determination by the Director of the Office of Emergency Planning that the local public school district was in an area declared by the President to be a major disaster area under the provisions of 42 U.S.C. 1855 warranting disaster assistance by the Federal Government;

(2) That the Governor of the State in which the local educational agency is located certify the need for disaster assistance and has given assurance of the expenditure of State funds or local agency funds for the same or similar purposes with respect to the disaster;

(3) That the local educational agency is making a reasonable tax effort and is exercising due diligence in availing itself of other available financial assistance in the operation of its elementary and secondary school program;

(4) That to the extent that the operation of private elementary and secondary schools in the school attendance area served by the local educational agency has been disrupted or impaired by such disaster, the local public educational agency has made provision for the conduct of educational programs under public auspices and administration in which children enrolled in such private elementary and secondary schools may attend and participate;

(5) That the additional assistance provided local school districts be provided for a period not greater than a 5-year period beginning with the fiscal year in which the President determines such area suffered a major disaster;

(6) That the amount provided shall not exceed the amount deemed to be necessary to enable such agency with all funds available to it to provide a level of education equivalent to that maintained in the schools in the fiscal year preceding the major disaster, together with any additional funds required for such local public school agency to provide educational services to students enrolled in private elementary and secondary schools also adversely affected by the disaster;

(7) That amounts provided for the second, third, and fourth fiscal years shall not exceed 75 percent, 50 percent, and 25 percent, respectively, of the amount so provided for the first fiscal year following such determination.

The provisions of the bill referred to in item (4) above are designed to assure that suitable provision be made for the continuing education of children attending private schools affected by the same disaster.

It is, of course, impossible to determine the conditions which will exist under emergencies created by a flood, tornado, earthquake, fire, or other catastrophe. For this reason, it is the purpose of the provision to provide Federal financial assistance for those aspects of a local district's plan which are designed to assure the continued education of all children in the area served by the school district, during

the period of emergency—irrespective of whether or not such children are enrolled in public or private schools. Where public school facilities are damaged or are otherwise inadequate to accommodate all the children, the local school district could provide for the rental or lease of public or other undamaged facilities to accommodate teachers and pupils from public and private schools during the period of adjustment from the disaster.

In this respect Federal funds are authorized to supplement all other funds available to provide a level of education equivalent to that maintained in the schools of such local public school agency during the last full fiscal year prior to the occurrence of the major disaster, taking into account the additional cost reasonably necessary for the local public school district to provide teachers, equipment, and materials in an expanded school program to accommodate private school students whose school operations were impaired or entirely disrupted as a result of the disaster.

The legislation does not authorize Federal funds for any private school or institution. All programs assisted with Federal funds under the provisions of the new sections are under public auspices and control. Equipment, supplies, and materials acquired by such agency with Federal funds are the property of the local public school agency.

COST OF DISASTER PROVISIONS

Information supplied by the U.S. Office of Education indicates that expenditures by the Office of Emergency Planning for replacing with temporary facilities and for repairing and equipping school buildings destroyed by disaster varies from year to year, but has averaged approximately \$750,000 a year for each of the past 5 years. The provisions of the reported bill authorize the Office of Education to provide permanent rather than temporary facilities for buildings that were destroyed and to provide current operating expenses for a 5-year period on a reduced basis each year. In addition, this legislation authorizes provision in the public schools of facilities and operating costs for children from nonpublic schools affected by the disaster. Under the somewhat broadened authority provided in this bill over that now held by the Office of Emergency Planning, the Office of Education estimates that the annual average cost of the disaster provision would be between \$1,250,000 and \$1,500,000 annually.

Section 11. Highway assistance in disaster areas

This section amends section 120(f) of title 23, United States Code, thereby increasing the Federal share payable for the repair or reconstruction of any Federal-aid highway necessitated by a major disaster to as much as 100 percent.

This section also amends section 125 of title 23, United States Code, to authorize to be appropriated from the general fund not to exceed \$50 million per year for emergency highway relief.

While the committee does not desire to provide blanket retroactivity, it believes that States which have experienced keeping destruction in recent major disasters and have received no Federal aid prior to passage of this act should receive assistance under this section.

The committee expects the Administrator to prepare the necessary rules and regulations in order to establish some uniformity or criteria

to determine as much as practicable the amount of the Federal Government's participation. In no instances, however, shall the participation be less than was originally provided for the construction of the highway, road, or street. Among other criteria which the committee feels to be significant is the State or other governmental body's ability to pay, the extent of the damage inflicted, and in the case of the Interstate Systems, the progress made to date or the percentage of the State's system that is completed.

Section 12. Priority of certain applications for public facility and public housing assistance

This section provides that priority be given to public bodies located in major disaster areas making application for assistance under the public facilities loan programs and public housing programs of the Housing and Home Finance Agency.

It is the committee's intent that applications received from disaster areas will receive first consideration regardless of the number of pending applications as immediate consideration is necessary to alleviate the hardship and suffering of the victims in such disaster areas.

Section 13. Authorization for public works expenditures

This section authorizes funds to be appropriated as necessary to repair, restore, or reconstruct any project, authorized by an act of Congress, which is completed or under construction. Projects included under this section are for flood control, navigation, irrigation, reclamation, public power, sewage treatment, water treatment, watershed development, airport construction, and other public facilities.

It is intended that the funds available under this section are to be used to compensate for the additional costs generated by the disaster and necessary to get the facility into operation.

This section further authorizes funds to be appropriated for the repair, reconstruction, or restoration of public roads, bridges, and streets damaged or destroyed as a result of a major disaster and which were constructed without funds provided under section 125 of title 23, United States Code.

The Committee recognizes that during times of major disasters that State and local units of government are hard pressed financially to provide the necessary matching funds to restore the Federal-aid highways, much less to be in a position whereby they are able to repair or restore local streets and bridges destroyed or damaged. In order to assist these areas, and to enable the economy to return to normal more rapidly, it is the committee's intent to provide the funds necessary to repair, restore, or reconstruct these nonfederally aided roads. This section authorizes assistance up to 100 percent of the costs involved; however, the committee recommends to the Director of the Office of Emergency Planning that steps be taken to develop rules, regulations, and criteria for determining the amount of Federal assistance for these purposes.

Section 14. Duplication of benefits

This section provides that no assistance may be duplicated for any part of a loss a victim may suffer as a result of a major disaster. The

committee recognizes the urgent need for financial assistance to these disaster areas, but fully realizes complete assistance is not possible. It further desires that necessary actions be taken by the agencies involved to prevent duplication of benefits. It feels that the agencies involved can and will take the appropriate steps necessary when developing their procedures.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*).

AN ACT TO PROVIDE ADDITIONAL ASSISTANCE FOR AREAS SUFFERING A MAJOR DISASTER—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Disaster Relief Act of 1965".

DEFINITIONS

SEC. 2. As used in this Act, the term "major disaster" means a major disaster as determined by the President pursuant to the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g).

TITLE 38—VETERANS' BENEFITS

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SUBCHAPTER III.—ADMINISTRATIVE PROVISIONS

§ 1820. Powers of Administrator.

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(f) *The Administrator is authorized to refinance any loan made or acquired by the Veterans' Administration when he finds such refinancing necessary because of the loss, destruction, or damage to property securing such loan as the result of a major disaster as defined in subsection 1855a(a) of title 42, United States Code. The interest rate on any loan refinanced under this subsection may be reduced to a rate not less than 3 per centum per annum, and the term thereof may be extended for such period as will provide a maturity of not to exceed forty years; except that the Administrator may authorize a suspension in the payment of principal and interest charges on, and an additional extension in the maturity of, any such loan for a period not to exceed five years if he determines that such action is necessary to avoid severe financial hardship.*

FEDERAL DISASTER ACT (AS AMENDED)

(Public Law 875, 81st Cong.)

(42 U.S.C. 1855-1855g)

AN ACT To authorize Federal assistance to States and local governments in major disasters, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the intent of Congress to provide an orderly and continuing means of assistance by the Federal Government to States and local governments in carrying out their responsibilities to alleviate suffering and damage resulting from major disasters, to repair essential public facilities in major disasters, and to foster the development of such State and local organizations and plans to cope with major disasters as may be necessary.

SEC. 2. As used in this Act, the following terms shall be construed as follows unless a contrary intent appears from the context:

(a) "Major disaster" means any flood, drought, fire, hurricane, earthquake, storm, or other catastrophe in any part of the United States which, in the determination of the President, is or threatens to be of sufficient severity and magnitude to warrant disaster assistance by the Federal Government to supplement the efforts and available resources of States and local governments in alleviating the damage, hardship, or suffering caused thereby, and respecting which the governor of any State (or the Board of Commissioners of the District of Columbia) in which such catastrophe may occur or threaten certifies the need for disaster assistance under this Act, and shall give assurance of expenditure of a reasonable amount of the funds of the government of such State, local governments therein, or other agencies, for the same or similar purposes with respect to such catastrophe;

(b) "United States" includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands;

(c) "State" means any State in the United States, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands;

(d) "Governor" means the chief executive of any State;

(e) "Local government" means any county, city, village, town, district, or other political subdivision of any State, or the District of Columbia, *and includes any rural community or unincorporated town or village with respect to which the head of the Federal agency concerned determines that (1) there is a need for assistance under this Act, (2) the furnishing of such assistance is feasible, and (3) it will be effectively utilized;*

(f) "Federal agency" means any department, independent establishment, Government corporation, or other agency of the executive branch of the Federal Government, excepting, however, the American National Red Cross.

TITLE 7—AGRICULTURE

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SUBCHAPTER I.—REAL ESTATE LOANS

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§ 1926. Water facilities loans to associations; limitation; prohibition against curtailment of services.

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(c) *In areas which have suffered major disasters the Secretary is authorized, without regard to the limitations of subsection (a) or (b), to make or insure loans to associations, including corporations not operated for profit and public and quasi-public agencies, for the acquisition, construction, improvement, or extension of waste disposal systems and other public facilities providing for community services in rural areas, when the Secretary determines that such action is necessary for the rebuilding of a community or a portion thereof damaged by a disaster. The Secretary is also authorized to make construction grants not to exceed 50 per centum of the cost of waste disposal systems, water systems, and other public facilities providing for community services in these areas in any case in which repayment of a loan for such purposes from income would require a charge for such service which the Secretary determines to be beyond the ability of a majority of the users who might be served thereby to pay such charges and if such charge would exceed the cost for such services in comparable communities in the State.*

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

PUBLIC LAW 815, 81ST CONGRESS

(20 U.S.C. 631-645)

AN ACT Relating to the construction of school facilities in areas affected by Federal activities, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

* * * * *

DEFINITIONS

SEC. 15. For the purposes of this Act—

(1) The term "Federal property" means real property which is owned by the United States or is leased by the United States, and which is not subject to taxation by any State or any political subdivision of a State or by the District of Columbia. Such term includes real property which is owned by the United States and

leased therefrom and the improvements thereon, even though the lessee's interest, or any improvement on such property, is subject to taxation by a State or a political subdivision of a State or by the District of Columbia. Except for the purposes of section 10, such term also includes (A) real property held in trust by the United States for individual Indians or Indian tribes, and real property held by individual Indians or Indian tribes which is subject to restrictions on alienation imposed by the United States, and (B) any school which is providing flight training to members of the Air Force under contractual arrangements with the Department of the Air Force at an airport which is owned by a State or a political subdivision of a State. Notwithstanding the foregoing provisions of this paragraph, such term does not include (A) any real property used by the United States primarily for the provision of services or benefits to the local area in which such property is situated, (B) any real property used for a labor supply center, labor home, or labor camp for migratory farmworkers, (C) any real property under the jurisdiction of the Post Office Department and used primarily for the provision of postal services, or (D) any low-rent housing project held under title II of the National Industrial Recovery Act, the Emergency Relief Appropriation Act of 1935, the United States Housing Act of 1937, the Act of June 28, 1940 (Public Law 671, Seventy-sixth Congress), or any law amendatory of or supplementary to any of such Acts.

(2) The term "child" means any child who is within the age limits for which the applicable State provides free public education.

(3) The term "parent" includes a legal guardian or other person standing in loco parentis.

(4) The term "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State.

(5) The membership of schools shall be determined in accordance with State law or, in the absence of State law governing such a determination, in accordance with regulations of the Commissioner; except that, notwithstanding any other provision of this Act, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this Act, the membership of such child, shall be held and considered—

(A) if the two local educational agencies concerned so agree, and if such agreement is approved by the Commissioner, as membership of a school of the local educational agency receiving such tuition payment;

(B) in the absence of any such approved agreement, as membership of a school of the local educational agency so making or contracting to make such tuition payment.

In any determination of membership of schools, children who are not provided free public education (as defined in paragraph (4)) shall not be counted.

(6) The average per pupil cost of constructing minimum school facilities in the State in which the school district of a local educational agency is situated shall be determined by the Commissioner of Education on the basis of the contract cost per square foot under con-

tracts for the construction of school facilities (exclusive of costs of site improvements, equipment, and architectural, engineering, and legal fees) entered into in the State for the base year designated in the application, increased by a percentage estimated by the Commissioner to represent additional costs for site improvements, equipment, and architectural, engineering, and legal fees, and multiplied by a factor estimated by the Commissioner to represent the area needed per pupil in minimum school facilities. If the Commissioner finds that the information available for the State concerned for such preceding fiscal year is inadequate or not sufficiently representative, he shall determine such cost on the basis of such information as he has available and after consultation with the State educational agency. The cost of constructing minimum school facilities in the school district of a local educational agency shall be determined by the Commissioner, after consultation with the State and local educational agencies, on the basis of such information as may be contained in the application of such local educational agency and such other information as he may obtain.

(7) Estimates of membership, and all other determinations with respect to eligibility and maximum amount of payment, shall be made as of the time of the approval of the application for which made, and shall be made on the basis of the best information available at the time of such approval.

(8) The terms "construct", "constructing", and "construction" include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(9) The term "school facilities" includes classrooms and related facilities; and initial equipment, machinery, and utilities necessary or appropriate for school purposes. Such term does not include athletic stadiums, or structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public. Except as used in sections 9 and 10, such term does not include interests in land and off-site improvements.

(10) Whether or not school facilities are minimum school facilities shall be determined by the Commissioner, after consultation with the State and local educational agencies, in accordance with regulations prescribed by him.

(11) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State. Such term includes any State agency which directly operates and maintains facilities for providing free public education or which has responsibility for the provision of such facilities.

(12) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(13) The term "State" means a State, Puerto Rico, Guam, the District of Columbia, the Virgin Islands, or Wake Island.

(14) The terms "Commissioner of Education" and "Commissioner" mean the United States Commissioner of Education.

(15) The term "base year" means the regular school year preceding the fiscal year in which an application was filed under this Act or the regular school year preceding such school year, as may be designated in the application, except that in the case of an application based on children referred to in paragraph (2) or (3) of section 5(a), the base year shall in no event be later than the regular school year 1963-1964; and

(16) The term "increase period" means the period of two consecutive regular school years immediately following such base year.

SCHOOL CONSTRUCTION ASSISTANCE IN MAJOR DISASTER AREAS

SEC. 16. (a) *If the Director of the Office of Emergency Planning determines with respect to any local educational agency that—*

(1)(A) *such agency is located in whole or in part within an area which, after the date of enactment of this section and prior to July 1, 1967, has suffered a major disaster as a result of any flood, drought, fire, hurricane, earthquake, storm, or other catastrophe which, in the determination of the President pursuant to section 2(a) of the Act of September 30, 1950 (42 U.S.C. 1855a(a)), is or threatens to be of sufficient severity and magnitude to warrant disaster assistance by the Federal Government, and*

(B) the Governor of the State in which such agency is located has certified the need for disaster assistance under this section, and has given assurance of expenditure of a reasonable amount of the funds of the government of such State, or of any political subdivision thereof, for the same or similar purposes with respect to such catastrophe, and if the Commissioner determines with respect to such local educational agency that—

(2) public elementary or secondary school facilities of such agency have been destroyed or seriously damaged as a result of this major disaster;

(3) such agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance available for the replacement or restoration of such school facilities;

(4) such agency does not have sufficient funds available to it from State, local, and other Federal sources (including funds available under other provisions of this Act), and from the proceeds of insurance on such school facilities, to provide the minimum school facilities needed for the restoration or replacement of the school facilities so destroyed or seriously damaged; and

(5) to the extent that the operation of private elementary and secondary schools in the school attendance area of the local educational agency has been disrupted or impaired by such disaster, such local educational agency has complied with the provisions of section 7(a)(3) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), with respect to provisions for the conduct of educational programs under public auspices and administration in which children enrolled in such private elementary and secondary schools may attend and participate.

the Commissioner may provide the additional assistance necessary to enable such agency to provide such facilities, upon such terms and in such amounts (subject to the provisions of this section) as the Commissioner may consider to be in the public interest, but such additional assistance, plus the amount which he determines to be available from State, local, and other Federal sources (including funds available under other

provisions of this Act), and from the proceeds of insurance, may not exceed the cost of construction incident to the restoration or replacement of the school facilities destroyed or damaged as a result of the disaster.

(b) There are hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out the provisions of this section. Pending such appropriation, the Commissioner may expend from any funds heretofore or hereafter appropriated for expenditure in accordance with other sections of this Act such sums as may be necessary for immediately providing assistance under this section, such appropriations to be reimbursed from the appropriations authorized by this subsection when made.

(c) No payment may be made to any local educational agency under subsection (a) except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him, and which meets the requirements of section 6(b)(1). In determining the order in which such applications shall be approved, the Commissioner shall consider the relative educational and financial needs of the local educational agencies which have submitted approvable applications. No payment may be made under subsection (a) unless the Commissioner finds, after consultation with the State and local educational agencies, that the project or projects with respect to which it is made are not inconsistent with overall State plans for the construction of school facilities. All determinations made by the Commissioner under this section shall be made only after consultation with the appropriate State educational agency and the local educational agency.

(d) Amounts paid by the Commissioner to local educational agencies under subsection (a) may be paid in advance or by way of reimbursement and in such installments as the Commissioner may determine. Any funds paid to a local educational agency and not expended or otherwise used for the purposes for which paid shall be repaid to the Treasury of the United States.

(e) None of the provisions of sections 1 to 10, both inclusive, other than section 6(b)(1), shall apply with respect to this section.

PUBLIC LAW 874, 81ST CONGRESS

AN ACT To provide financial assistance for local educational agencies in areas affected by Federal activities, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—FINANCIAL ASSISTANCE FOR LOCAL EDUCATIONAL AGENCIES IN AREAS AFFECTED BY FEDERAL ACTIVITY

* * * * *

ASSISTANCE FOR CURRENT SCHOOL EXPENDITURES IN MAJOR DISASTER AREAS

SEC. 7. (a) If the Director of the Office of Emergency Planning determines with respect to any local educational agency that—

(1)(A) such agency is located in whole or in part within an area, which, after the date of enactment of this section and prior to July 1,

1967, has suffered a major disaster as a result of any flood, drought, fire, hurricane, earthquake, storm, or other catastrophe which, in the determination of the President pursuant to section 2(a) of the Act of September 30, 1950 (42 U.S.C. 1855a(a)), is or threatens to be of sufficient severity and magnitude to warrant disaster assistance by the Federal Government, and

(B) the Governor of the State in which such agency is located has certified the need for disaster assistance under this section, and has given assurance of expenditure of a reasonable amount of the funds of the government of such State, or of any political subdivision thereof, for the same or similar purposes with respect to such catastrophe,

and if the Commissioner determines with respect to such local educational agency that—

(2) such agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance, but as a result of such major disaster it is unable to secure sufficient funds to meet the cost of providing free public education for the children attending the schools of such agency, and

(3) to the extent that the operation of private elementary and secondary schools in the school attendance area of such local educational agency has been disrupted or impaired by such disaster, such local educational agency has made provision for the conduct of educational programs under public auspices and administration in which children enrolled in such private elementary and secondary schools may attend and participate: Provided, That nothing contained in this Act shall be construed to authorize the making of any payment under this Act for religious worship or instruction,

the Commissioner may provide to such agency the additional assistance necessary to provide free public education to the children attending the schools of such agency, upon such terms and in such amounts (subject to the provisions of this section) as the Commissioner may consider to be in the public interest. Such additional assistance may be provided for a period not greater than a five fiscal year period beginning with the fiscal year in which the President has determined that such area suffered a major disaster. The amount so provided for any fiscal year shall not exceed the amount which the Commissioner determines to be necessary to enable such agency, with the State, local, and other Federal funds available to it for such purpose, to provide a level of education equivalent to that maintained in the schools of such agency during the last full fiscal year prior to the occurrence of such major disaster, taking into account the additional costs reasonably necessary to carry out the provisions of subparagraph (3) of this section. The amount, if any, so provided for the second, third, and fourth fiscal years following the fiscal year in which the President determined that such area has suffered a major disaster shall not exceed 75 per centum, 50 per centum, and 25 per centum, respectively, of the amount so provided for the first fiscal year following such determination.

(b) In addition to and apart from the funds provided under subsection (a), the Commissioner is authorized to provide to such agency an amount which he determines to be necessary to replace instructional and maintenance supplies, equipment, and materials (including textbooks) destroyed or seriously damaged as a result of such major disaster, and to

lease or otherwise provide (other than by acquisition of land or erection of facilities) school and cafeteria facilities needed to replace temporarily such facilities which have been made unavailable as a result of the major disaster.

(c) There is hereby authorized to be appropriated for each fiscal year such amounts as may be necessary to carry out the provisions of this section. Pending such appropriation, the Commissioner may expend from any funds heretofore or hereafter appropriated for expenditure in accordance with other sections of this Act, such sums as may be necessary for immediately providing assistance under this section, such appropriations to be reimbursed from the appropriations authorized by this subsection when made.

(d) No payment may be made to any local educational agency under this section except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him. In determining the order in which such applications shall be approved, the Commissioner shall consider the relative educational and financial needs of the local educational agencies which have submitted approvable applications.

(e) Amounts paid by the Commissioner to local educational agencies under this section may be paid in advance or by way of reimbursement and in such installments as the Commissioner may determine. Any funds paid to a local educational agency and not expended or otherwise used for the purposes for which paid shall be repaid to the Treasury of the United States.

SECTION 1 TITLE 23—HIGHWAYS

CHAPTER 1—FEDERAL-AID HIGHWAYS

* * * * *

§ 120. Federal share payable

* * * * *

(f) The Federal share payable on account of any repair or reconstruction provided for by funds made available under section 125 of this title shall not exceed 50 per centum of the cost thereof, except that the Federal share payable on account of any repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, and Indian reservation roads may amount to 100 per centum of the cost thereof, whether or not such highways, roads, or trails are on any Federal-aid highway system^[1]: And provided further, That the Federal share payable on account of any repair or reconstruction of any Federal-aid highway necessitated by a major disaster, as determined by the President pursuant to section 2(a) of the Act of September 30, 1950 (42 U.S.C. 1855a(a)), may be as much 100 per centum of the cost thereof. Any project agreement for which the final voucher has not been approved by the Secretary on or before the date of this Act may be modified to provide for the Federal share authorized herein.

* * * * *

§ 125. Emergency relief

(a) An emergency fund is authorized for expenditure by the Secretary, subject to the provisions of this section and section 120, for the repair or reconstruction of highways, roads, and trails which he shall find have suffered serious damage as the result of disaster over a wide area, such as by floods, hurricanes, tidal waves, earthquakes, severe storms, landslides, or other catastrophes in any part of the United States. **【The appropriation of such moneys, not to exceed \$30,000,000, as may be necessary for the initial establishment of this fund and for its replenishment on an annual basis is authorized.】** *There is authorized to be appropriated from the General Fund not to exceed \$50,000,000 for the fiscal year ending June 30, 1965, and not to exceed \$50,000,000 for each fiscal year thereafter for the purposes of such fund.* Pending such appropriation or replenishment the Secretary may expend from any funds heretofore or hereafter appropriated for expenditure in accordance with the provisions of this title, including existing Federal-aid appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriations herein authorized when made.

(b) The Secretary may expend funds from the emergency fund herein authorized for the repair or reconstruction of highways on the Federal-aid highway systems, including the Interstate System, in accordance with the provisions of this chapter. Except as to highways, roads, and trails mentioned in subsection (c) of this section, no funds shall be so expended unless the Secretary has received an application therefor from the State highway department, and unless an emergency has been declared by the Governor of the State and concurred in by the Secretary.

(c) The Secretary may expend funds from the emergency fund herein authorized, either independently or in cooperation with any other branch of the Government, State agency, organization, or person, for the repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, and Indian reservation roads, whether or not such highways, roads, or trails are on any of the Federal-aid highway systems.

NATIONAL HOUSING ACT

* * * * *

HOUSING FOR MODERATE INCOME AND DISPLACED FAMILIES

SEC. 221. (a) This section is designed to assist private industry in providing housing for low and moderate income families and families displaced from urban renewal areas **【or as a result of governmental action】**, *a result of governmental action, or as a result of a major disaster as determined by the President pursuant to the Act entitled "An Act to authorize Federal assistance to States and local governments in*

major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g).

* * * * *

(d) To be eligible for insurance under this section, a mortgage shall—

* * * * *

(2) be secured by property upon which there is located a dwelling conforming to applicable standards prescribed by the Commissioner under subsection (f) of this section, and meeting the requirements of all State laws, or local ordinances or regulations, relating to the public health or safety, zoning, or otherwise, which may be applicable thereto, and shall involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount (A) not to exceed (i) \$11,000 in the case of a property upon which there is located a dwelling designed principally for a single-family residence, (ii) \$18,000 in the case of a property upon which there is located a dwelling designed principally for a two-family residence, (iii) \$27,000 in the case of a property upon which there is located a dwelling designed principally for a three-family residence, or (iv) \$33,000 in the case of a property upon which there is located a dwelling designed principally for a four-family residence: *Provided*, That a mortgage secured by property upon which there is located a dwelling designed principally for a two-, three-, or four-family residence shall not be insured under this section except in the case of a dwelling for occupancy by a family displaced from an urban renewal area [or as a result of governmental action] *a result of governmental action, or as a result of a major disaster as determined by the President pursuant to the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g):* *Provided further*, That the Commissioner may increase the foregoing amounts to not to exceed \$15,000, \$25,000, \$32,000, and \$38,000, respectively, in any geographical area where he finds that cost levels so require; and (B) not to exceed the appraised value of the property (as of the date the mortgage is accepted for insurance): *Provided*, That (i) if the mortgagor is the owner and an occupant of the property at the time of insurance, (1) in the case of a family displaced from an urban renewal area [or as a result of Government action,] *a result of governmental action, or as a result of a major disaster as determined by the President pursuant to the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g),* he shall have paid on account of the property at least \$200 in the case of a single-family dwelling, \$400 in the case of a two-family dwelling, \$600 in the case of a three-family dwelling, and \$800 in the case of a four-family dwelling, or (2) in the case of any other family, he shall have paid on account of the property at * * *

(3) if executed by a mortgagor which is a public body or agency (and which certifies that it is not receiving financial assistance from the United States exclusively pursuant to the United States Housing Act of 1937), a cooperative (including an investor-

sponsor who meets such requirements as the Commissioner may impose to assure that the consumer interest is protected), or a limited dividend corporation (as defined by the Commissioner), or a private nonprofit corporation or association, or other mortgagor approved by the Commissioner, and regulated or supervised under Federal or State laws or by political subdivisions of States, or agencies thereof, or by the Commissioner under a regulatory agreement or otherwise, as to rents, charges, and methods of operation, in such form and in such manner as in the opinion of the Commissioner will effectuate the purposes of this section—

(i) not exceed \$12,500,000;

(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require; and

(iii) not to exceed (1) in the case of new construction, the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner), or (2) in the case of repair and rehabilitation, the sum of the estimated cost of repair and rehabilitation and the Commissioner's estimate of the value of the property before repair and rehabilitation: *Provided*, That in no case involving refinancing shall such mortgage exceed such estimated cost of repair and rehabilitation and the amount (as determined by the Commissioner) required to refinance existing indebtedness secured by the property or project: *Provided further*, That in the case of any mortgagor other than a nonprofit corporation or association, cooperative (including an investor-sponsor), or public body, or a mortgagor meeting the special requirements of subsection (e)(1) of this section, the amount of the mortgage shall not exceed 90 per centum of the amount otherwise authorized under this section: *Provided further*, That such property or project, when constructed, or repaired

and rehabilitated, shall be for use as a rental or cooperative project, and low and moderate income families or families displaced by urban renewal [or other governmental action] *a result of governmental action, or as a result of a major disaster as determined by the President pursuant to the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g), shall be eligible for occupancy in accordance with such regulations and procedures as may be prescribed by the Commissioner and the Commissioner may adopt such requirements as he determines to be desirable regarding consultation with local public officials where such consultation is appropriate by reason of the relationship of such project to projects under other local programs; or*

* * * * *

(6) provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe, but as to mortgages coming within the provisions of subsection (d) (2) of this section not to exceed from the date of the beginning of amortization of the mortgage (i) 40 years in the case of a family displaced from an urban renewal area [or as a result of governmental action] *a result of governmental action, or as a result of a major disaster as determined by the President pursuant to the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g), (ii) 35 years in the case of any other family if the mortgage is approved for insurance prior to construction, except that the period in such case may be increased to not more than 40 years where the mortgagor is an owner-occupant of the property and is not able, as determined by the Commissioner, to make the required payments under a mortgage having a shorter amortization period, and (iii) 30 years in the case of any other family where the mortgage is not approved for insurance prior to construction: Provided, That no mortgage insured under section (d) (2) of this section shall have a maturity exceeding three-quarters of the Commissioner's estimate of the remaining economic life of the building improvements.*

* * * * *

(f) The property or project shall comply with such standards and conditions as the Commissioner may prescribe to establish the acceptability of such property for mortgage insurance and may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants. A property or project covered by a mortgage insured under the provisions of subsection (d) (3) or (d) (4) of this section shall include five or more family units. The Commissioner is authorized to adopt such procedures and requirements as he determines are desirable to assure that the dwelling accommodations provided under this section are available to families displaced from urban renewal areas or as a result of governmental action. Notwithstanding any provision of this chapter, the Commissioner, in order to assist further the provisions of housing for low and moderate income

families, in his discretion and under such conditions as he may prescribe, may insure a mortgage which meets the requirements of subsection (d) (3) of this section as in effect after June 30, 1961, with no premium charge, with a reduced premium charge, or with a premium charge for such period or periods during the time the insurance is in effect as the Commissioner may determine, and there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to reimburse the Section 221 Housing Insurance Fund for any net losses in connection with such insurance. No mortgage shall be insured under subsection (d) (2) or (d) (4) of this section after September 30, 1965, or under subsection (d) (3) of this section after September 30, 1965, except pursuant to a commitment to insure before that date, or except a mortgage covering property which the Commissioner finds will assist in the provision of housing for families displaced from urban renewal areas [or as a result of governmental action] *a result of governmental action, or as a result of a major disaster as determined by the President pursuant to the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855-1855g).* Any person who is sixty-two years of age or over, or who is a handicapped person within the meaning of section 1701q of this title, shall be deemed to be a family within the meaning of the terms "family" and "families" as those terms are used in this section.





